

DIRECT TESTIMONY

of

CAROLYN L. BOWERS

Accounting Department  
Financial Analysis Division  
Bureau of Public Utilities  
Illinois Commerce Commission

Reconciliation of Revenues Collected Under Fuel Adjustment Charges  
With Actual Costs Prudently Incurred

South Beloit Water, Gas and Electric Company

Docket No. 03-0693

August 10, 2004

1 Q. Please state your name and business address.

2 A. My name is Carolyn L. Bowers. My business address is 527 East Capitol Avenue,  
3 Springfield, Illinois 62701.

4 Q. By whom are you employed and in what capacity?

5 A. I am currently employed as an Accountant in the Accounting Department of the  
6 Financial Analysis Division of the Illinois Commerce Commission ("ICC" or  
7 "Commission").

8 Q. Please describe your background and professional affiliations.

9 A. I am a Certified Public Accountant with a Bachelor of Arts in Accountancy from  
10 Sangamon State University. Prior to joining the Commission in June 2001, I was  
11 engaged in the practice of public accounting for fourteen years.

12 Q. Have you previously testified before any regulatory bodies?

13 A. Yes, I have testified on several occasions before the Commission.

14 Q. What is the purpose of your testimony in this proceeding?

15 A. The purpose of my testimony is to report the results of my review of South Beloit's  
16 FAC Reconciliation as presented by its witness Sonya Kessinger in Exhibit 2.1 of  
17 her Supplemental Revised Testimony filed July 27, 2004, and the underlying  
18 documents which support the calculations.

19 Q. Do you recommend any adjustments to South Beloit's FAC reconciliation as a  
20 result of your review?

21 A. No.

22 Q. Please summarize your recommendations.

23 A. I find no reason to object to the Company's revised reconciliation of FAC  
24 revenues collected under its Fuel Adjustment Clause with the actual cost of fuel. I  
25 recommend that the Commission accept the reconciliation of revenues collected  
26 under the fuel adjustment clause with the actual costs of fuel as reflected in  
27 Supplemental Exhibit 2.1, sponsored by South Beloit witness Sonya Kessinger in  
28 her Supplemental Testimony.

29 Q. Does the reconciliation require an Ordered Reconciliation Factor (Factor Ro)?

30 A. Yes, the reconciliation in this proceeding requires a Factor Ro refund in the  
31 amount of \$ 394,232. This amount should be refunded to ratepayers by the  
32 method set forth in South Beloit's "2003 FAC Reconciliation Rider" that became  
33 effective on July 1, 2004.

34 Q. Does this question end your prepared direct testimony?

35 A. Yes, it does.